



2021 National Trade Estimate Report on **FOREIGN TRADE BARRIERS**

ARGENTINA

TRADE SUMMARY

The U.S. goods trade surplus with Argentina was \$1.8 billion in 2020, a 44.6 percent decrease (\$1.4 billion) over 2019. U.S. goods exports to Argentina were \$6.0 billion, down 27.0 percent (\$2.2 billion) from the previous year. Corresponding U.S. imports from Argentina were \$4.2 billion, down 15.4 percent. Argentina was the United States' 34th largest goods export market in 2020.

U.S. exports of services to Argentina were an estimated \$7.6 billion in 2019 and U.S. imports were \$2.6 billion. Sales of services in Argentina by majority U.S.-owned affiliates were \$9.6 billion in 2018 (latest data available), while sales of services in the United States by majority Argentina-owned firms were \$101 million.

U.S. foreign direct investment in Argentina (stock) was \$10.7 billion in 2019, a 12.4 percent increase from 2018. U.S. direct investment in Argentina is led by manufacturing, information services, and finance and insurance.

TRADE AGREEMENTS

The United States–Argentina Trade and Investment Framework Agreement

The United States and Argentina signed a Trade and Investment Framework Agreement (TIFA) on March 23, 2016. This Agreement is the primary mechanism for discussions of trade and investment issues between the United States and Argentina.

IMPORT POLICIES

Tariffs and Taxes

Tariffs

Argentina's average Most-Favored-Nation (MFN) applied tariff rate was 13.5 percent in 2019 (latest data available). Argentina's average MFN applied tariff rate was 10.3 percent for agricultural products and 14.0 percent for non-agricultural products in 2019 (latest data available). Argentina has bound 100 percent of its tariff lines in the WTO, with an average WTO bound tariff rate of 31.8 percent.

Argentina is a founding member of the Southern Common Market (MERCOSUR), formed in 1991 that also comprises Brazil, Paraguay, and Uruguay. MERCOSUR's Common External Tariff (CET) ranges from zero percent to 35 percent *ad valorem* and averages 12.5 percent.

MERCOSUR provisions allow its members to maintain a limited number of national and sectoral list exceptions to the CET for an established period. Argentina is permitted to maintain a list of 100 exceptions to the CET until December 31, 2021. Modifications to MERCOSUR tariff rates are made through resolutions and are published on the [MERCOSUR website](#).

According to MERCOSUR procedures, any good imported into any member country is subject to the payment of the CET to that country's customs authorities. If the product is then re-exported to another MERCOSUR country, the CET must be paid again to the second country.

In 2010, MERCOSUR took a step toward the establishment of a customs union by approving a Common Customs Code (CCC) and launching a plan to eliminate the double application of the CET within MERCOSUR. All MERCOSUR members must ratify the CCC for it to take effect. Argentina ratified the CCC in November 2012.

MERCOSUR members are also allowed to set import tariffs independently for some types of goods, including computer and telecommunications equipment, sugar, and some capital goods. Argentina imposes a 14 percent tariff on imports of capital goods that are also produced domestically. Imports of certain other capital goods that are not produced domestically are subject to a reduced tariff of two percent.

Argentina has bilateral agreements with Brazil and Uruguay on automobiles and automotive parts intended to provide preferential treatment among the three countries. In October 2019, Argentina and Brazil submitted to the Latin American Integration Association a revised bilateral agreement to extend the time period to implement bilateral free trade in automobiles and automotive parts from June 20, 2020 to July 1, 2029. Argentina also has a separate bilateral trade agreement with Mexico regarding quotas for automobiles and automotive parts. In March 2019, Argentina and Mexico agreed to retain quotas for three final years before implementing bilateral free trade in these goods.

On November 15, 2016, Argentina issued Decree No. 1174/2016, which reduces by 25 percent import tariffs on used capital goods that are needed as part of investment projects. Complementary used capital and intermediate industrial goods – not more than 20 years old and for use in domestic production lines – are also eligible for the 25 percent import tariff reduction.

Decree 117/2017, effective April 1, 2017, eliminated the 35 percent duty on imports of a number of electronic devices. The list of products at zero percent duty can be found in Annex I and II to the Decree.

Taxes

Argentina maintains a variety of taxes on, and tax exemptions for, imported goods. On December 23, 2019, the Argentine Congress passed Public Emergency Law 27,451, raising the rate of the statistical tax, a fee charged on goods imported for consumption, to 3 percent. Temporary imports, inputs used to produce goods for export, and imported goods for scientific and technological research are exempted from this tax.

The increase in the statistical tax to 3 percent expired December 31, 2020, when the rate reverted to the previous rate of 2.5 percent. Decree 332/2019 established a set of caps on the dollar value of the tax faced by imported goods. The Argentine Government raised this cap through Decree 99/2019 by 20 percent as follows: imports with a value of less than \$10,000 have a maximum tax of \$180; imports between \$10,000 and \$100,000 have a maximum tax of \$3,000; imports between \$100,000 and \$1,000,000 have a maximum tax of \$30,000; and imports greater than \$1,000,000 have a maximum tax of \$150,000. Pursuant to Decree 548/2019, in the case of capital goods imported exclusively for renewable energy projects included in the RenovAr Program, the maximum tax is set at \$500.

In August 2012, the Argentine Tax Authority (AFIP) issued Resolution 3373, which raised the rate of certain taxes charged after import duties are levied, thereby increasing the tax burden for importers. When goods are imported, Argentina collects a percentage of the value of imports as income tax withholding to be applied to the importer's income taxes. Resolution 3373 established an income tax withholding rate of six percent of the value of the imported goods for imports of all goods, except goods intended for the importer's consumption or use. For those goods, an income tax withholding rate of 11 percent applies. Resolution 3373 also established an advance value-added tax (VAT) rate of 20 percent for imports of consumer goods and 10 percent for imports of capital goods. The advance VAT regime was most recently modified by General Resolution 4461 issued April 2019, which reestablished an advance VAT rate on imports for consumption and imports destined for production. The advance VAT is paid by the importer, unless the goods are for personal use. If the products are sold in Argentina, the normal VAT rate, which is 21 percent for most consumer and capital goods, is levied after subtracting any advance VAT previously paid.

On July 5, 2016, the Ministry of Production and the Ministry of Energy and Mining issued Joint Resolutions 123 and 313, providing tax exemptions for imports of capital and intermediate goods that are not locally produced for use in solar or wind energy investment projects that incorporate at least 60 percent local content in their electromechanical installations. On September 28, 2017, the Ministry of Production and the Ministry of Energy and Mining issued Joint Resolution 1-E/2017 updating the list of goods that are not locally produced. The list can be found in Annex I and II to the Joint Resolution.

On August 1, 2016, Argentina passed Law 27263, implemented by Resolution 599-E/2016, which provides tax credits to automotive manufacturers for the purchase of locally-produced automotive parts and accessories incorporated into specific types of vehicles. The tax credits range from 4 percent to 15 percent of the value of the purchased parts. On April 20, 2018, Argentina issued Resolution 28/2018, simplifying the procedure for obtaining the tax credits. The resolution also establishes that if the national content of the automobile drops below the minimum required by the resolution because of relative price changes due to exchange rate fluctuations, automotive manufacturers will not be considered non-compliant with the regime. However, the resolution sets forth that tax benefits will be suspended for the quarter when the drop was registered.

Pursuant to Decree 2646/2012, used capital goods imports are subject to a 28 percent tax if local production of the good exists, a 14 percent tax in the absence of existing local production, and a 6 percent tax if the used capital good is for the aircraft industry. There are exceptions for used capital goods

employed in certain industries (*e.g.*, printing, textiles, mining, and, in some cases, aviation), which permit imports of the goods at a zero percent import tax.

Argentina provides full or partial tax refunds (including VAT) to exporters of consumer goods, agricultural goods, industrial goods, and processed foods.

In December 2016, through Decree 1341, Argentina established an additional 0.5 percent VAT refund to exporters of products that are certified with geographic or origin indications; are certified as organic; or that meet quality and innovation standards that qualify the good to be labeled “Argentine Food a Natural Choice.” These certifications and labels are granted by the Secretariat of Agroindustry, which maintains a list of qualifying agricultural products. In May 2017, through Resolution 90-E, the Ministry of Agroindustry amended the scheme to prevent exporters from claiming multiple additional 0.5 percent VAT refunds when a product meets more than one of the criteria listed above. Argentina last updated the list of goods eligible for the refund scheme and their associated refund percentages on August 17, 2018, through Decree 767/2018.

Non-Tariff Barriers

Import Bans

Argentina prohibits the import of many used capital goods. Under the Argentina–Brazil Bilateral Automobile Pact, Argentina bans the import of used self-propelled agricultural machinery unless it is imported to be rebuilt in-country. Argentina also prohibits the importation and sale of used or retreaded tires (but in some cases allows remolded tires); used or refurbished medical equipment, including imaging equipment; and used automotive parts. Argentina generally restricts or prohibits the importation of any remanufactured good, such as remanufactured automotive parts, earthmoving equipment, medical equipment, and information and communications technology products. In the case of remanufactured medical goods, imports are further restricted by the requirement (described below) that the importer of record must be the end user, such as a hospital, doctor, or clinic. These parties are generally not accustomed to importing and are not typically registered as importers.

Pursuant to Decree 509/2007, Annex 6, Argentina prohibits imports of used clothing.

Resolution 253/2020 restricts imports of books to 500 units per month for a one-year period beginning September 15, 2020.

Import Restrictions

Domestic legislation requires compliance with strict conditions on the entry of those used capital goods that are not prohibited from being imported into Argentina, as follows: (1) used capital goods can only be imported directly by the end user; (2) overseas reconditioning of the goods is allowed only if performed by the original manufacturer, third-party technical appraisals are not permitted; (3) local reconditioning of the good is subject to technical appraisal to be performed only by the state-run Institute of Industrial Technology, except for aircraft-related items; (4) the imported used capital good cannot be transferred (sold or donated) for a period of four years; (5) regardless of where the reconditioning takes place, the Argentine Customs Authority requires the presentation of a “Certificate of Import of Used Capital Goods” at the time of importation. This certificate is issued by the Secretariat of Foreign Trade following approval by the Secretariat of Industry. Pursuant to Joint Resolutions 12/2014 and 4/2014 of January 2014, the import certificate for used capital goods has a duration of 60 working days from the issue date. Through Decree 406/2019 issued June 6, 2019, the Argentine Government exempted a list of products from the requirement to obtain the import certificate.

Resolution 909/1994 places restrictions on the importation of certain used goods for consumption, such as parts and components that are not used in the manufacture of other products. Decree 1205, issued November 29, 2016, modified the list of restricted items and established import tariffs ranging from 6 percent to 28 percent for some of these restricted items. The list includes electronic and recording equipment; railroad vehicles and other railroad parts; optic, photography, and filming equipment; tractors; buses; aircraft; and ships.

Under a new tax “Por una Argentina Inclusiva y Solidaria,” all imported services purchased through travel and tourism agencies and all international transportation tickets for travel by air, land (except to countries that border Argentina), or water sold in Argentina (through a physical or online point of sale) are subject to a 30 percent tax, pursuant to Public Emergency Law 27,541, issued on December 23, 2019, and Decree 99 issued on December 28, 2019. Under Resolution 4815, as of September 16, 2020, when international transportation tickets and international tourism services are sold in Argentina, an amount equal to 35 percent of the price of the ticket or service is collected as income tax withholding. Through Decree 99/2019, the government also established an 8 percent tax for some imported digital services that are already subject to the VAT.

Import Licensing

Argentina subjects imports to automatic or non-automatic licenses that are managed through the Comprehensive Import Monitoring System (SIMI), established in December 2015 by AFIP through Resolutions 5/2015 and 3823/2015. The SIMI system requires importers to submit detailed information electronically about goods to be imported into Argentina, including whether the products are subject to automatic or non-automatic import licenses. Once the information is submitted, relevant Argentine government agencies review the application through a “Single Window System for Foreign Trade” (Ventanilla Unica de Comercio Exterior). Products deemed import-sensitive by the Argentine Government, including goods such as automobiles, paper and cardboard, iron and steel, nuclear reactors, electrical and construction materials and parts, toys, textiles and apparel, and footwear, are subject to the non-automatic import licensing regime. On January 9, 2020, through Resolution 1/2020, Argentina moved 300 tariff lines from the automatic import licensing system to the non-automatic import licensing system. A total of 1,446 tariff lines currently are subject to non-automatic licenses. Through Resolution 1/2020, Argentina reduced the validity period for a non-automatic import license from 180 days to 90 days after approval. Firms in a variety of sectors have reported extensive delays in receiving import licenses, making it difficult to supply manufacturing facilities and reach Argentine consumers. Firms have also reported a lack of transparency in information required in import license applications, further increasing the unpredictability of doing business in Argentina.

Customs Barriers and Trade Facilitation

Argentina continues to use reference prices for goods that originate in, or are imported from, specified countries, for customs valuation purposes. If a good is imported and the invoice price is lower than the reference price, Argentina requires importers to obtain an authenticated invoice. Argentina publishes a list of reference prices and covered countries.

Certificates of Origin

Certificates of origin have been a key element in Argentine import procedures to enforce trade remedy measures, reference prices, and certain geographical restrictions. Argentina requires certificates of origin for certain categories of products, including certain organic chemicals, tires, bicycle parts, flat-rolled iron

and steel, certain iron and steel tubes, air conditioning equipment, wood fiberboard, most fabrics (*e.g.*, wool, cotton, other vegetable), carpets, most textiles (*e.g.*, knitted, crocheted), apparel, footwear, metal screws and bolts, furniture, toys and games, brooms, and brushes. To receive the MFN tariff rate, a U.S. product's certificate of origin must be authenticated by an Argentine embassy or consulate, or carry a U.S. Chamber of Commerce seal. For products with many internal components, such as machinery, each individual part is often required to have a certificate notarized in its country of origin, which can be very burdensome. On October 18, 2018, through Resolution 60/2018, the Ministry of Production and Labor eliminated the requirement for a certificate of origin for goods subject to antidumping or safeguard measures, instead requiring a certification (a sworn declaration of non-preferential origin) that can be submitted online. The resolution also simplifies the process required to obtain a certificate of origin for most categories of products, with the exception of textiles and footwear.

Ports of Entry

Argentina restricts entry points for several classes of goods, including sensitive goods classified in 20 Harmonized Tariff Schedule chapters (*e.g.*, textiles; shoes; electrical machinery; iron, steel, metal, and other manufactured goods; and watches), through specialized customs procedures for these goods.

Consumption Incentives

In October 2014, Argentina launched the “Ahora 12” program, which allows individuals to finance the purchase of certain domestically manufactured goods, ranging from clothing to home appliances, as well as domestic tourism, in 12 monthly installments with certain credit cards without interest. On December 1, 2016, Argentina launched the “Ahora 18” program, which allows individuals to finance the purchase of the same types of domestically manufactured goods and domestic tourism in 18 monthly, interest-free installments. On April 1, 2017, Argentina launched the “Ahora 3 y 6” program, which allows individuals to finance the purchase of domestically manufactured clothing, footwear, certain leather goods, toys, and board games in three or six monthly, interest-free installments. On December 28, 2018, Argentina added LED lamps to the list of eligible products. On July 29, 2019, through Resolution 426/2019, the government extended the Ahora programs through December 31, 2019, and expanded the programs by adding to small appliances, cosmetics, and self-care products, and increased the price limit for purchases of eyeglasses and motorcycles. The Argentine Government further extended the Ahora 12, Ahora 18, and Ahora 3 y 6 programs to December 31, 2020, through Resolution 353/2020, and then through March 31, 2021 through resolution 730/2020. The new resolution removed cellphones from the list and included some medical equipment (such as defibrillators, and sterilization equipment), prescription medicine, and some domestic services such as educational services (language and drama courses, among others, excluding educational services offered in schools and universities), personal care services (hairdressers, barber shops, and beauty salon), and car and motorbike repair services. The resolution also established a three-month grace period for the Ahora 12 and Ahora 18 programs.

SANITARY AND PHYTOSANITARY BARRIERS

Poultry

Argentina does not allow imports of fresh, frozen, and chilled poultry from the United States due to purported concerns over Highly Pathogenic Avian Influenza (HPAI) and virulent Newcastle Disease, and because Argentina does not recognize the U.S. sanitary inspection system as equivalent to the Argentine system. Over the past several years, the United States has provided Argentina with status updates on the status of HPAI in the United States and on the success of the U.S. Government's mitigation and eradication programs. In addition, the United States requested that Argentina regionalize its restrictions related to HPAI in the event of future outbreaks, as recommended by the World Organization for Animal

Health. The United States continues to engage with Argentina to resolve the market access issues for poultry.

Horticultural Products

Argentina ceased issuing permits for imports of a variety of U.S. horticultural exports in 2012, without explanation or justification. Since then, through meetings with the United States, Argentina has agreed to reestablish access for exports of U.S. cherries and stone fruits. However, Argentina has yet to restore market access for U.S. apples, pears, grapes, and berries. The United States is engaging with Argentina to establish science-based conditions that allow for the resumption of trade.

SUBSIDIES

Local Content Subsidies

Argentina maintains certain local-sourcing support measures aimed at encouraging domestic production. Resolutions 123 and 313, issued in July 2016, allow companies to obtain tax benefits on purchases of solar or wind energy equipment for use in investment projects that incorporate at least 60 percent local content in their electromechanical installations. If local supply is insufficient to reach the 60 percent threshold, the threshold can be reduced to 30 percent. The updated list of tax-exempt goods under the renewable energy regime and the technical criteria used to calculate the local content is detailed in Annex I of Joint Resolution E-1/2017.

GOVERNMENT PROCUREMENT

Argentine law establishes a national preference for local industry for most government procurement if the domestic supplier's tender is no more than five percent to seven percent higher than the foreign tender. The amount by which the domestic bid may exceed a foreign bid depends on the size of the domestic company making the bid. On May 10, 2018, Argentina issued Law 27,437 giving additional priority to Argentine small- and medium-sized enterprises and, separately, requiring that foreign companies that win a tender must subcontract domestic companies to cover 20 percent of the value of the work. The preference applies to procurement by all government agencies, public utilities, and concessionaires. There is similar legislation at the provincial level. On September 5, 2018, Argentina issued Decree 800/2018, which provides the regulatory framework for Law 27,437. On November 16, 2016, Argentina passed a law No. 27,328, which regulates public-private contracts. The law lowered regulatory barriers to foreign investment in public infrastructure projects with the aim of attracting more foreign direct investment. However, the law contains a "Buy Argentina" clause that mandates at least 33 percent local content for every public project.

Argentina is not a Party to the WTO Agreement on Government Procurement, but it has been an observer to the WTO Committee on Government Procurement since February 1997.

INTELLECTUAL PROPERTY PROTECTION

Argentina remained on the Priority Watch List in the [Special 301 Report](#). The situation for innovators in the pharmaceutical and agrochemical sectors presents significant challenges. First, the scope of patentable subject matter remains significantly restricted under Argentine law. Second, there is inadequate protection against unfair commercial use and unauthorized disclosure of undisclosed test and other data submitted to the Argentine Government in conjunction with its lengthy marketing approval process. In addition, the United States encourages Argentina to provide transparency and procedural fairness to all interested parties in connection with potential recognition or protection of geographical indications, including in

connection with trade agreement negotiations. Finally, the patent pendency backlog continues to result in unreasonable delays.

In addition, the absence of sustained enforcement efforts – including under criminal laws – sufficient to have a deterrent effect, coupled with judicial inefficiency and outdated intellectual property (IP) laws, diminishes the competitiveness of U.S. IP-intensive industries in Argentina. For example, “La Salada,” continues to be one of South America’s largest black markets for counterfeit and pirated goods. The existing legislative regime and weak enforcement hinder the ability of rights holders, law enforcement, and prosecutors to halt, through legal action, the growth of illegal online markets. The United States will continue to monitor these issues and engage Argentina on IP matters at large.

SERVICES BARRIERS

Audiovisual Services

Argentina imposes restrictions on the showing, printing, and dubbing of foreign films in Argentina. Argentina also charges *ad valorem* customs duties on U.S. film exports based on the estimated value of the potential royalty generated from the film in Argentina, rather than on the value of the physical materials being imported.

The National Institute of Cinema and Audiovisual Arts taxes foreign films screened in local movie theaters. Distributors of foreign films in Argentina must pay screening fees that are calculated based on the number and geographical locations of theaters at which the films will be screened within Argentina. Films screened in 15 or fewer movie theaters are exempted. According to Resolution 1087/2019, which came into force July 23, 2019, all movie theaters must project at least one domestically produced film for the entirety of one week per quarter.

The Media Law requires companies to produce advertising and publicity materials locally or to include 60 percent local content. The Media Law also establishes a 70 percent local production content requirement for companies with radio licenses. Additionally, the Media Law requires that 50 percent of the news and 30 percent of the music that is broadcast on the radio be of Argentine origin. In the case of private television operators, at least 60 percent of broadcast content must be of Argentine origin. Of that 60 percent, 30 percent must be local news, and 10 percent to 30 percent must be local independent content.

Express Delivery

As of August 26, 2016, pursuant to Resolutions 3915 and 3916, Argentina allows the importation of goods via mail or through an express delivery service provider. As of April 1, 2019, door-to-door non-commercial mail shipments with a value of \$3,000 or less and a weight not greater than 20 kilograms may be delivered. Pursuant to Decree 221/2019, consumers are subject to annual limits on the tax-free allowance on purchases. Consumers can purchase goods valued at up to \$50 per month tax free, with an annual tax-free limit of \$600, compared to the previous regime that applied a 50 percent tax on all but the first order up to \$25. If the monthly purchase total exceeds \$50, the consumer must pay a 50 percent tax on the value above the \$50 threshold. Non-commercial courier shipments with a value of \$1,000 or less and a weight not greater than 50 kilograms are exempt from import licensing and other import requirements, subject to certain conditions, including an annual limit of five shipments per person. Due to significant import-related delays and lack of transparency, such as non-automatic import licenses, the express and postal channels are essential for electronic commerce. These limitations on express couriers in effect constrain electronic commerce in Argentina across sectors.

Argentina does not have a centralized platform for, and does not allow the use of, electronically produced

air waybills, which would accelerate customs processing and the growth of electronic commerce transactions.

Insurance Services

The Argentine insurance regulator (SSN) imposes restrictions on reinsurance supplied by foreign companies. Resolution 40422-E/2017 allows local insurance companies to place only up to 75 percent of the ceded premium with foreign reinsurance companies.

The SSN requires that all investments and cash equivalents held by locally registered insurance companies be located in Argentina. In May 2019, the SSN issued Resolution 515, establishing that each insurance company must invest a minimum of 5 percent (to a maximum of 20 percent) of its portfolio for financing of small- and medium-sized enterprises.

Telecommunications Services

As part of a set of measures adopted in 2020 intended to address economic issues created by the COVID-19 pandemic, the Argentine Government issued Decree 311/2020, which froze prices and prohibited the suspension of delinquent accounts for a number of information communication technology (ICT) services, including fixed and mobile telephone services, Internet access services, and pay television services, until August 31, 2020. On August 21, 2020, the Argentine Government issued Decree 690/2020, which extended the freeze on the prices for these ICT services until December 31, 2021 and amended the Information and Communications Technologies Law to change the regulatory status of these ICT services to “essential and strategic public services” and therefore subject to additional regulation by the National Communications Agency (ENACOM), including full rate regulation and additional universal service obligations. On September 20, 2020, the Argentine Government issued Decree 756/2020, which extended the prohibition on suspension of delinquent accounts through December 31, 2020. U.S stakeholders are concerned that these decrees and the imposition of additional regulation by ENACOM will undermine competition and discourage additional investment in the ICT sector in Argentina.

Under the Media Law and the Telecommunications Law, Argentina maintains regulations that treat terrestrial-based providers (*e.g.*, cable providers) differently from satellite-based providers (*e.g.*, direct-to-home satellite providers) in that only satellite-based providers are prohibited from bundling their services with other Internet and telecommunications services offered by terrestrial-based providers. Decree 1340/2016 has an exception allowing satellite television suppliers that already held licenses for information technology services to continue providing such services. However, the inconsistencies in the current legal framework create uncertainty in the market.

INVESTMENT BARRIERS

Foreign Exchange and Capital Controls

Since 2019, the Argentine Government and the Central Bank have issued a series of decrees and norms regulating access to foreign exchange markets in order to mitigate the financial crisis.

As of September 15, 2020, pursuant to Communication A71067/2020, Argentine nationals and residents can make purchases in foreign currency equal to no more than \$200 per month. Purchases abroad with credit and debit cards count against the \$200 monthly quota. Although no limit on credit or debit card purchases is imposed, if monthly expenses surpass the \$200 quota the deduction, corresponding to the amount of excess spending, will be carried over to subsequent months until the total amount is covered. Also, the regulation prohibits individuals from receiving government assistance and high-ranking

government officials from purchasing foreign currency. Individuals must receive Central Bank approval to purchase foreign currency in excess of the \$200 quota.

Pursuant to Public Emergency Law 27,541, issued December 23, 2019, all purchases denominated in foreign currency and individual expenses incurred abroad, in person or online, including international online purchases from Argentina, paid with credit or debit cards issued by Argentine banks, are subject to a 30 percent tax. AFIP Resolution 4815 imposes an additional 35 percent withholding tax that may be deducted from an individual's income or wealth tax obligation.

Non-Argentine residents are required to obtain prior Central Bank approval to purchase in foreign currency in excess of \$100 per month, except for certain bilateral or international organizations, institutions and agencies, diplomatic representation, and foreign tribunals.

As of October 2019, Communication A6815 limits cash withdrawals made abroad with local debit cards to only foreign currency bank accounts owned by the client in Argentina. Pursuant to Communication A6823, cash advances made abroad from local credit cards are limited to a maximum of \$50 per transaction.

Companies and individuals will need to obtain prior clearance from the Central Bank before transferring funds abroad, including dividend payments or other distributions abroad, or to pay for services rendered to a company by foreign affiliates. If transfers are made from their own foreign currency accounts in Argentina to their own accounts abroad, individuals do not need to obtain Central Bank approval. Through Communication A6869 issued by the Central Bank in January 2020, companies will be able to repatriate dividends without Central Bank authorization equivalent to a maximum of 30 percent of new foreign direct investment (FDI) made by the company in the country. To promote FDI, the Central Bank announced in Communication A7123 in October 2020 that it will allow free access to the official foreign exchange market to repatriate investments, provided that the capital contribution was transferred and sold in Argentine pesos through the foreign exchange market as of October 2, 2020, and that the repatriation takes place at least two years after the transfer and settlement of those funds.

Exporters of goods are required to transfer to Argentina and settle in pesos in the foreign currency market the proceeds from exports made as of September 2, 2019. Exporters must settle according to the following terms: exporters with affiliates (irrespective of the type of good exported) and exporters of certain goods (including certain cereals, seeds, minerals, and precious metals) must convert their foreign currency proceeds to pesos within 15 days (or 30 days for some products) after the issuance of the permit for shipment; other exporters have 180 days to settle in pesos. Irrespective of these deadlines, exporters must comply with the obligation to transfer the funds to Argentina and settle in pesos within five days from the actual collection.

Pursuant to Decree 661 issued in September 2019, all export tax refunds are subject to liquidation in the local foreign exchange market. This measure complements Decree 609/2019 that requires all proceeds from exports to be settled in Argentine pesos.

Payments for imports of goods and services from third parties and from affiliates require Central Bank approval if the company needs to purchase foreign currency. Pursuant to Communication A7030 from May 2020, the Central Bank requires that importers submit an affidavit stating that the total amount of foreign currency requested (including the current payment request) does not exceed the amount of the payments for purchases by that importer and cleared by customs between January 1, 2020, and the day prior to accessing the foreign exchange market. The total amount of payments for import of goods should also include the payments for amortizations of lines of credit or commercial guarantees.

Argentine residents are required to transfer to Argentina and settle in pesos the proceeds from services exports rendered to non-Argentine residents that are paid in foreign currency, either in Argentina or abroad, within five business days from collection thereof.

In September 2020, the Central Bank issued Circular A7106, limiting companies' ability to purchase foreign currency to repay any external financial debt (including intercompany debt) and dollar-denominated local securities. Companies will have access to no more than 40 percent of the principal amount coming due from October 15, 2020 to March 1, 2021, and for the remaining 60 percent of the debt, the company must file a refinancing plan with the Central Bank. Debt from international organizations or their associated agencies or guaranteed by them and debt to official credit agencies or guaranteed by them are exempt from this restriction. In addition, the Central Bank, through Communication A701, prohibited access to the foreign exchange market to pay for external debt, imports, and for saving purposes for individuals and companies that have sold foreign currency denominated securities within the previous 90 days.

On October 16, 2020, the Central Bank issued Communication A7138 establishing that importers requesting access to the foreign market in excess of \$50,000 must receive prior approval from the Central Bank. On October 30, 2020, through Communication A7151, the Central Bank also obligated commercial banks to require importers to submit a sworn declaration of their import request so the request may be crossreferenced to the Central Bank database of importers, to ensure compliance with the foreign exchange controls. These measures have increased delays for import operations.

Local Content Requirements

Argentina establishes percentages of local content in the production process for manufacturers of mobile and cellular radio communication equipment operating in Tierra del Fuego province. Resolution 66, issued July 12, 2018, replaces Resolution 1219/2015 and maintains the local content requirement for products such as technical manuals, packaging, and labelling. Resolution 66 eliminated the local content requirement imposed by Resolution 1219 for batteries, screws, and chargers. The percentage of local content required ranges from 10 percent to 100 percent depending on the process or item. In cases where local supply is insufficient to meet local content requirements, companies may apply for an exemption that is subject to review every six months.

OTHER BARRIERS

Export Policies

Argentina maintains export taxes on most exports of goods and services. As of December 14, 2019, when Decree 37/2019 came into effect, the Argentine Government set the export tax rate on goods at 12 percent, with several exceptions. Products listed in Annex II of Decree 37 are subject to a 9 percent export tax. Products that were listed in Annex II of Decree 793, issued September 4, 2018, but that were not also included in Annex II of Decree 37/2019, are required to pay an export tax of three Argentine pesos per dollar exported.

On December 23, 2019, when Public Emergency Law 27,541 came into effect, Argentina established export tax ceilings on exports of certain agricultural commodities, industrial products, oil, gas, minerals, and services. In the case of exports of services, the maximum tax that applies is 5 percent. Micro and small enterprises exporting less than \$600,000 in services per year are exempted from the tax, and those exporting more than \$600,000 are required to pay the export tax on exports above the \$600,000 threshold. Goods produced in and exported from the Special Customs Area (SCA) located in Tierra del Fuego province are exempt from export taxes.

Argentina maintains additional percentage-based export taxes on a range of products. Annex I of Decree 1126/2017 and its modifications detail the full list of additional export duties applied in Argentina. Soybeans, soy meal, and soy oil are taxed at 18 percent; leathers at 5 and 10 percent; cork at 10 and 5 percent; paper and cardboard waste for recycling at 20 percent; and alloy steel waste at 5 percent. On May 28, 2018, the Argentine Government issued Decree 486, increasing the export tax on biodiesel from 8 percent to 15 percent as of July 1, 2018. On October 4, 2020, the Argentine Government issued Decrees 789/2020 and 790/2020 reducing export taxes on soybean products for three months to encourage exports. Export taxes on soybeans were lowered from 33 percent to 30 percent during October, to 31.5 percent during November, and 32 percent during December, returning to 33 percent in January 2021. Processed soybean products (including soymeal and soybean oil) were taxed at 28 percent instead of 33 percent during October, 29.5 percent during November, and 30 percent during December, and were set for 33 percent as of January 2021. This differential provides an incentive to export processed soybean oil and soymeal instead of whole soybeans. The MERCOSUR CCC, if entered into effect, would restrict future export taxes and transition to a common export tax policy.

Export Ban

On July 2, 2016, pursuant to Decree 823/2016, Argentina implemented a 360-day ban on all exports of scrap of iron, steel, copper, and aluminum. The Argentine Government consistently extended the ban in subsequent years, although a current extension is still pending.

Export Registrations and Permits

Since December 29, 2015, Argentina has required exporters of certain grains, pulses, cotton, oilseeds, and their derivatives to obtain Affidavits of Foreign Sales (DJVE) and register the exportation with the Office of Coordination and Evaluation of Subsidies to Domestic Consumption. On October 3, 2019, the Ministry of Agriculture, Livestock, and Fisheries released resolution 78/2019 that updated regulations for DJVE and reduced the term of validity for short-term DJVE from 45 to 30 days. Exporters are now required to pay 90 percent of the export tax within five days of registration. For short-term DJVE, exporters must pay the full export tax immediately upon approval of the DJVE registration, based on the official Free On Board value on the date of the sale.

Consumer Goods Price Control Program

In January 2014, the Argentine Government launched a consumer goods price control program called “Precios Cuidados.” Under the voluntary program, participating consumer goods manufacturers and supermarkets agreed to adhere to price caps on nearly 200 basic consumer goods. Since January 2016, the program has been extended several times, with prices adjusted for inflation and additional products added to the program. On September 28, 2018, the Secretary of Domestic Trade issued Disposition 46/2018, including small retail stores in the program. On January 7, 2020, the government extended the program through January 31, 2021, and changed the products included in the program, reducing the number of products to 310, subject to a quarterly review. On October 6, 2020, through Disposition 14/2020, the government increased the number of products included in the program to a total of 400, with prices adjusting to the level registered in July 2020.

In February 2016, Argentina issued Resolution 12/2016, which established the “Precios Claros” program to monitor retail prices using an “Electronic System of Advertised Prices” (SEPA), accessible online or via mobile app. Supermarkets are required to publish their price lists and have enough stock of the products listed under the program. Consumers can report the absence of products or any difference in price via the SEPA app, through the website, or by presenting a complaint directly to the National

Commission for the Defense of Competition (CNDC) Office. The CNDC has the authority to apply a fine to companies if it finds an absence of justification for increases in prices of products listed under the program.

On March 19, 2020, Argentina launched a new price control program called “*precios máximos*” with the objective of controlling prices of 18 categories of products, including food and beverage, cleaning and hygiene products. The program has been extended and modified several times, allowing for price adjustments and increasing the number of products included in the program. *Precios máximos* was last extended on October 30, 2020, through Resolution 473/2020, until January 31, 2021. On November 12, 2020, the Argentine Government issued Resolution 552/2020 removing from the program 50 categories of products with high price level and low demand. The goods removed totaled 100 products including wines, whisky, energy drinks, brie cheese, soy milk, and makeup products.

Supply Law

In September 2014, Argentina amended the 1974 National Supply Law to expand the ability of the government to regulate private enterprises by setting minimum and maximum prices and profit margins for goods and services at any stage of economic activity. Private companies may be subject to fines and temporary closure if the Argentine Government determines they are not complying with the law. Although the law is still in effect, the U.S. Government has not received any reports of it being applied since December 2015.

Pension System

In 2008, the Argentine Congress approved a bill to nationalize Argentina’s private pension system and transfer pension assets to the government social security agency. Compensation to investors in the privatized pension system, including to U.S. investors, is still pending and subject to ongoing international arbitration.